



# Davis Financial Portfolio

---

(part of Davis Variable Account Fund, Inc.)

June 30, 2023

SEMI-ANNUAL REPORT

Management’s Discussion of Fund Performance.....	2
Fund Overview .....	4
Expense Example.....	5
Schedule of Investments .....	6
Statement of Assets and Liabilities .....	7
Statement of Operations .....	8
Statements of Changes in Net Assets.....	9
Notes to Financial Statements.....	10
Financial Highlights .....	14
Director Approval of Advisory Agreements .....	15
Liquidity Risk Management Program.....	18
Directors and Officers.....	19

***This Semi-Annual Report is authorized for use by existing shareholders. Prospective shareholders must receive a current Davis Financial Portfolio (the “Fund”) prospectus, which contains more information about investment strategies, risks, charges, and expenses. Please read the prospectus carefully before investing or sending money.***

*Shares of the Fund are not deposits or obligations of any bank, are not guaranteed by any bank, are not insured by the FDIC or any other agency, and involve investment risks, including possible loss of the principal amount invested.*

#### **Portfolio Proxy Voting Policies and Procedures**

The Fund has adopted Portfolio Proxy Voting Policies and Procedures under which the Fund votes proxies relating to securities held by the Fund. A description of the Fund’s Portfolio Proxy Voting Policies and Procedures is available (i) without charge, upon request, by calling the Fund toll-free at 1-800-279-0279, (ii) on the Fund’s website at [www.davisfunds.com](http://www.davisfunds.com), and (iii) on the SEC’s website at [www.sec.gov](http://www.sec.gov).

In addition, the Fund is required to file Form N-PX, with its complete proxy voting record for the 12 months ended June 30<sup>th</sup>, no later than August 31<sup>st</sup> of each year. The Fund’s Form N-PX filing is available (i) without charge, upon request, by calling the Fund toll-free at 1-800-279-0279, (ii) on the Fund’s website at [www.davisfunds.com](http://www.davisfunds.com), and (iii) on the SEC’s website at [www.sec.gov](http://www.sec.gov).

#### **Quarterly Schedule of Investments and Monthly Holdings**

The Fund files its complete schedule of investments with the SEC on Form N-CSR (as of the end of the second and fourth quarters) and on Form N-PORT Part F (as of the end of the first and third quarters). The Fund’s Forms N-CSR (Annual and Semi-Annual Reports) and N-PORT Part F are available without charge, upon request, by calling 1-800-279-0279, on the Fund’s website at [www.davisfunds.com](http://www.davisfunds.com), and on the SEC’s website at [www.sec.gov](http://www.sec.gov). A list of the Fund’s holdings is also available at [www.davisfunds.com](http://www.davisfunds.com) on or about the 10<sup>th</sup> day following each month end and remains available on the website until the list is updated for the subsequent month.

**Performance Overview**

Davis Financial Portfolio underperformed the Standard & Poor's 500<sup>®</sup> Index ("S&P 500<sup>®</sup>" or the "Index") for the six-month period ended June 30, 2023 (the "period"). The Fund delivered a total return of 0.91%, versus a 16.89% return for the S&P 500<sup>®</sup>. The Fund outperformed the -0.53% return of the S&P 500<sup>®</sup> Financials Index.

S&P 500<sup>®</sup>

- Strongest performing sectors<sup>1</sup>
  - Information Technology (+43%), Communication Services (+36%), and Consumer Discretionary (+33%)
- Weakest performing sectors
  - Utilities (-6%), Energy (-6%), and Health Care (-1%)

S&P 500<sup>®</sup> Financials

- Strongest performing industries
  - Consumer Finance (+18%) and Financial Services (+6%)
- Weakest performing industries
  - Banks (-8%), Insurance (-1%), and Capital Markets (flat)

**Contributors<sup>2</sup> to Performance**

- Consumer Finance - outperformed the Index industry (+19% vs +18%)
  - *Capital One Financial*<sup>3</sup> (+19%) - largest individual contributor
  - *American Express* (+19%)
- Financial Services - outperformed the Index industry (+7% vs +6%)
  - *Berkshire Hathaway* (+10%) and *Rocket Companies* (+28%)
  - *Rocket Companies* - majority of performance (+24%) occurred when classified as Thrifts & Mortgage Finance
- Capital Markets - outperformed the Index industry (+1% vs flat)
  - *Julius Baer Group* (+13%)
- Individual Bank Holdings - *Danske Bank* (+23%), *JPMorgan Chase* (+10%), and *Wells Fargo* (+5%)
- Other select holdings - *Markel* (+5%) and *Prosus* (+6%)

**Detractors from Performance**

- Individual Bank holdings
  - *U.S. Bancorp* (-22%), *PNC Financial* (-19%), and *Fifth Third Bancorp* (-18%) - three largest individual detractors
  - *Bank of America* (-12%), *DBS Group Holdings* (-4%), and *Bank of N.T. Butterfield* (-5%)
- Insurance - performed in line with the Index industry (both -1%)
  - *Chubb* (-12%) and *Ping An Insurance* (-1%)
- Other select holdings - *Charles Schwab* (-31%) and *Bank of New York Mellon* (-1%)

Davis Financial Portfolio's investment objective is long-term growth of capital. There can be no assurance that the Fund will achieve its objective. Davis Financial Portfolio's principal risks are: stock market risk, common stock risk, financial services risk, credit risk, interest rate sensitivity risk, focused portfolio risk, headline risk, foreign country risk, large-capitalization companies risk, manager risk, depository receipts risk, fees and expenses risk, foreign currency risk, emerging market risk, and mid- and small-capitalization companies risk. See the prospectus for a full description of each risk.

Davis Financial Portfolio concentrates its investments in the financial sector, and it may be subject to greater risks than a fund that does not concentrate its investments in a particular sector. The Fund's investment performance, both positive and negative, is expected to reflect the economic performance of the financial sector more than a fund that does not concentrate its portfolio.

Davis Financial Portfolio is allowed to focus its investments in fewer companies, and it may be subject to greater risks than a more diversified portfolio that is not allowed to focus its investments in a few companies. Should the portfolio manager determine that it is prudent to focus the Fund's portfolio in a few companies, the Fund's investment performance, both positive and negative, is expected to reflect the economic performance of its more focused portfolio.

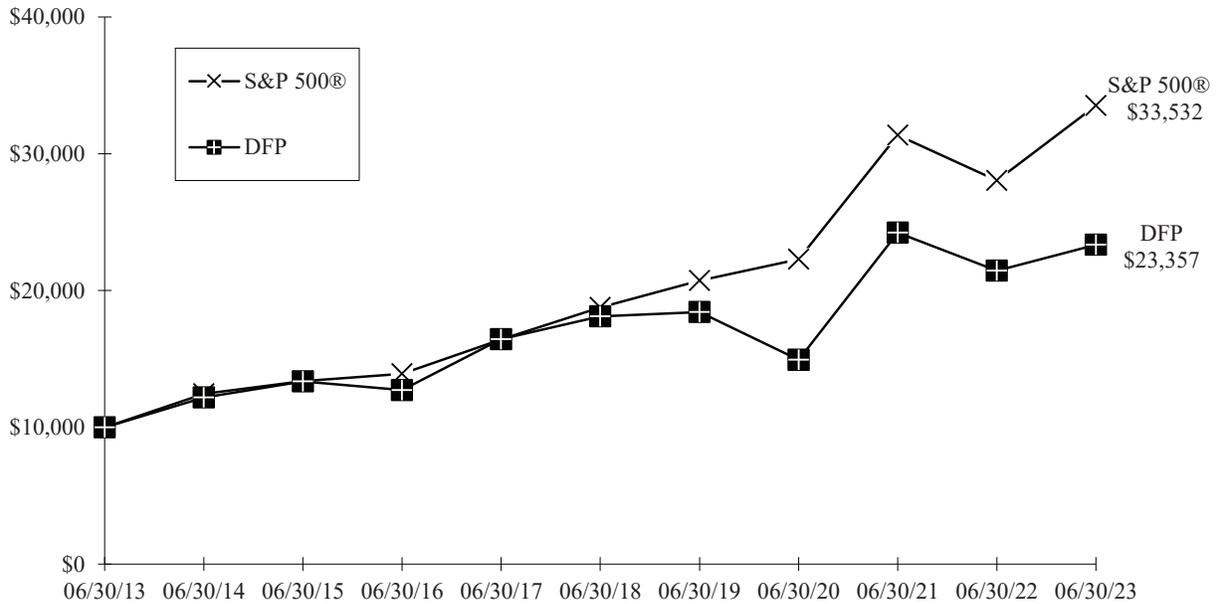
Past performance does not guarantee future results, Fund prices fluctuate, and the value of an investment may be worth more or less than the purchase price. Data provided in this performance overview is for the six-month period ended June 30, 2023, unless otherwise noted. Return figures for underlying Fund positions reflect the return of the security from the beginning of the period or the date of first purchase if subsequent thereto through the end of the period or the date the position is completely liquidated. The actual contribution to the Fund will vary based on a number of factors (e.g., trading activity, weighting). Portfolio holding information is as of the end of the six-month period, June 30, 2023, unless otherwise noted.

<sup>1</sup> The companies included in the Standard & Poor's 500<sup>®</sup> Index are divided into eleven sectors. One or more industry groups make up a sector. For purposes of measuring concentration, the Fund generally classifies companies at the industry level. See the SAI for additional information regarding the Fund's concentration policy.

<sup>2</sup> A company's or industry's contribution to or detraction from the Fund's performance is a product both of its appreciation or depreciation and its weighting within the Fund. For example, a 5% holding that rises 20% has twice as much impact as a 1% holding that rises 50%.

<sup>3</sup> Management's Discussion of Fund Performance discusses a number of individual companies. The information provided in this report does not provide information reasonably sufficient upon which to base an investment decision and should not be considered a recommendation to purchase, sell, or hold any particular security. The Schedule of Investments lists the Fund's holdings of each company discussed.

COMPARISON OF A \$10,000 INVESTMENT IN DAVIS FINANCIAL PORTFOLIO VERSUS THE STANDARD & POOR’S 500® INDEX OVER 10 YEARS FOR AN INVESTMENT MADE ON JUNE 30, 2013



AVERAGE ANNUAL TOTAL RETURN FOR PERIODS ENDED JUNE 30, 2023

FUND & BENCHMARK INDEX	1-YEAR	5-YEAR	10-YEAR	SINCE FUND’S INCEPTION (07/01/99)	GROSS EXPENSE RATIO	NET EXPENSE RATIO
Davis Financial Portfolio	8.91%	5.23%	8.85%	5.85%	0.78%	0.78%
S&P 500® Index	19.59%	12.30%	12.86%	6.99%		

The Standard & Poor’s 500® Index is an unmanaged index of 500 selected common stocks, most of which are listed on the New York Stock Exchange. The Index is adjusted for dividends, weighted towards stocks with large market capitalizations, and represents approximately two-thirds of the total market value of all domestic common stocks. Investments cannot be made directly in the Index.

**The performance data quoted in this report represents past performance, assumes that all distributions were reinvested, and is not a guarantee of future results. The investment return and principal value will fluctuate so that shares may be worth more or less than their original cost when redeemed. Current performance may be higher or lower than performance data quoted. The operating expense ratio may vary in future years. For most recent month-end performance information, please call Investor Services at 1-800-279-0279 or visit the Fund’s website at [www.davisfunds.com](http://www.davisfunds.com).**

Fund performance numbers are net of all Fund operating expenses, but do not include any insurance charges imposed by your insurance company’s separate account. If performance included the effect of these additional charges, the return would be lower.

**DAVIS FINANCIAL PORTFOLIO****Fund Overview**  
**June 30, 2023 (Unaudited)**

<b>Portfolio Composition</b>	
<b>(% of Fund's 06/30/23 Net Assets)</b>	
Common Stock (U.S.)	74.44%
Common Stock (Foreign)	24.57%
Short-Term Investments	0.81%
Other Assets & Liabilities	0.18%
	<u>100.00%</u>

<b>Industry Weightings</b>		
<b>(% of 06/30/23 Stock Holdings)</b>		
	<b>Fund</b>	<b>S&amp;P 500<sup>®</sup></b>
Banks	45.20%	2.99%
Insurance	17.00%	2.06%
Consumer Finance	12.85%	0.51%
Capital Markets	12.66%	2.65%
Financial Services	9.38%	4.20%
Consumer Discretionary Distribution & Retail	2.91%	5.46%
Information Technology	–	28.26%
Health Care	–	13.43%
Media & Entertainment	–	7.45%
Capital Goods	–	5.65%
Energy	–	4.11%
Food, Beverage & Tobacco	–	3.35%
Utilities	–	2.58%
Other	–	17.30%
	<u>100.00%</u>	<u>100.00%</u>

**Top 10 Long-Term Holdings**  
**(% of Fund's 06/30/23 Net Assets)**

Capital One Financial Corp.	Consumer Finance	8.38%
JPMorgan Chase & Co.	Banks	7.16%
Berkshire Hathaway Inc., Class A	Financial Services	7.15%
Wells Fargo & Co.	Banks	6.79%
Julius Baer Group Ltd.	Capital Markets	6.09%
Markel Group Inc.	Property & Casualty Insurance	6.04%
Bank of New York Mellon Corp.	Capital Markets	5.18%
Chubb Ltd.	Property & Casualty Insurance	5.17%
DBS Group Holdings Ltd.	Banks	4.86%
Danske Bank A/S	Banks	4.51%

As a shareholder of the Fund, you incur ongoing costs only, including advisory and administrative fees and other Fund expenses. The Expense Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The Expense Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period indicated, which for the Fund is for the six-month period ended June 30, 2023. Please note that the Expense Example is general and does not reflect charges imposed by your insurance company's separate account or account specific costs, which may increase your total costs of investing in the Fund. If these charges or account specific costs were included in the Expense Example, the expenses would be higher.

### Actual Expenses

The information represented in the row entitled "Actual" provides information about actual account values and actual expenses. You may use the information in this row, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number under the heading "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

### Hypothetical Example for Comparison Purposes

The information represented in the row entitled "Hypothetical" provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only. Therefore, the information in the row entitled "Hypothetical" is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds.

	Beginning Account Value (01/01/23)	Ending Account Value (06/30/23)	Expenses Paid During Period* (01/01/23-06/30/23)
Actual	\$1,000.00	\$1,009.12	\$3.89
Hypothetical	\$1,000.00	\$1,020.93	\$3.91

Hypothetical assumes 5% annual return before expenses.

\* Expenses are equal to the Fund's annualized operating expense ratio (0.78%)\*\*, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

\*\*The expense ratio reflects the impact, if any, of certain reimbursements and/or waivers from the Adviser.

# DAVIS FINANCIAL PORTFOLIO

Schedule of Investments  
June 30, 2023 (Unaudited)

	Shares	Value (Note 1)
<b>COMMON STOCK – (99.01%)</b>		
<b>CONSUMER DISCRETIONARY – (2.88%)</b>		
<b>Consumer Discretionary Distribution &amp; Retail – (2.88%)</b>		
Prosus N.V., Class N (Netherlands)	19,930	\$ 1,459,556
<b>TOTAL CONSUMER DISCRETIONARY</b>		<b>1,459,556</b>
<b>FINANCIALS – (96.13%)</b>		
<b>Banks – (44.75%)</b>		
Bank of America Corp.	76,030	2,181,301
Bank of N.T. Butterfield & Son Ltd. (Bermuda)	43,490	1,189,886
Danske Bank A/S (Denmark)	93,760	2,283,656
DBS Group Holdings Ltd. (Singapore)	105,437	2,462,246
DNB Bank ASA (Norway)	62,990	1,177,957
Fifth Third Bancorp	86,250	2,260,613
JPMorgan Chase & Co.	24,960	3,630,182
Metro Bank Holdings PLC (United Kingdom) *	97,530	147,651
PNC Financial Services Group, Inc.	14,500	1,826,275
U.S. Bancorp	63,010	2,081,850
Wells Fargo & Co.	80,670	3,442,996
		<u>22,684,613</u>
<b>Financial Services – (34.55%)</b>		
<b>Capital Markets – (12.54%)</b>		
Bank of New York Mellon Corp.	59,000	2,626,680
Charles Schwab Corp.	11,320	641,618
Julius Baer Group Ltd. (Switzerland)	48,909	3,086,526
		<u>6,354,824</u>
<b>Consumer Finance – (12.72%)</b>		
American Express Co.	12,630	2,200,146
Capital One Financial Corp.	38,830	4,246,837
		<u>6,446,983</u>
<b>Financial Services – (9.29%)</b>		
Berkshire Hathaway Inc., Class A *	7	3,624,670
Rocket Companies, Inc., Class A *	121,170	1,085,684
		<u>4,710,354</u>
		<u>17,512,161</u>
<b>Insurance – (16.83%)</b>		
<b>Life &amp; Health Insurance – (1.27%)</b>		
Ping An Insurance (Group) Co. of China, Ltd. - H (China)	100,500	641,885
<b>Property &amp; Casualty Insurance – (14.39%)</b>		
Chubb Ltd.	13,606	2,619,971
Loews Corp.	27,150	1,612,167
Markel Group Inc. *	2,215	3,063,744
		<u>7,295,882</u>

	Shares	Value (Note 1)
<b>COMMON STOCK – (CONTINUED)</b>		
<b>FINANCIALS – (CONTINUED)</b>		
<b>Insurance – (Continued)</b>		
<b>Reinsurance – (1.17%)</b>		
Everest Group, Ltd.	1,740	\$ 594,836
		<u>8,532,603</u>
<b>TOTAL FINANCIALS</b>		<b>48,729,377</b>
<b>TOTAL COMMON STOCK –</b>		
<b>(Identified cost \$31,478,141)</b>		<b>50,188,933</b>

	Principal	Value (Note 1)
<b>SHORT-TERM INVESTMENTS – (0.81%)</b>		
Nomura Securities International, Inc. Joint Repurchase Agreement, 5.05%, 07/03/23 (a)		
	\$221,000	\$ 221,000
StoneX Financial Inc. Joint Repurchase Agreement, 5.05%, 07/03/23 (b)		
	189,000	189,000
<b>TOTAL SHORT-TERM INVESTMENTS –</b>		<b>410,000</b>
<b>(Identified cost \$410,000)</b>		<b>410,000</b>
Total Investments – (99.82%) –		
(Identified cost \$31,888,141)		50,598,933
Other Assets Less Liabilities – (0.18%)		
		<u>92,264</u>
Net Assets – (100.00%)		<u>\$50,691,197</u>

\* Non-income producing security.

(a) Dated 06/30/23, repurchase value of \$221,093 (collateralized by: U.S. Government agency mortgages in a pooled cash account, 2.50%-7.00%, 12/01/29-09/01/61, total market value \$225,420).

(b) Dated 06/30/23, repurchase value of \$189,080 (collateralized by: U.S. Government agency mortgages and obligations in a pooled cash account, 0.50%-10.00%, 07/15/23-04/20/73, total market value \$192,780).

*See Notes to Financial Statements*

**DAVIS FINANCIAL PORTFOLIO****Statement of Assets and Liabilities  
At June 30, 2023 (Unaudited)****ASSETS:**

Investments in securities, at value* (see accompanying Schedule of Investments)	\$	50,598,933
Cash		468
Receivables:		
Dividends and interest		148,792
Prepaid expenses		859
<b>Total assets</b>		<b>50,749,052</b>

**LIABILITIES:**

Payables:		
Capital stock redeemed		5,244
Accrued audit fees		10,343
Accrued custodian fees		9,965
Accrued investment advisory fees		23,640
Other accrued expenses		8,663
<b>Total liabilities</b>		<b>57,855</b>

**NET ASSETS** **\$** 50,691,197

**SHARES OUTSTANDING** 4,165,833

**NET ASSET VALUE**, offering, and redemption price per share (Net assets ÷ Shares outstanding) **\$** 12.17

**NET ASSETS CONSIST OF:**

Par value of shares of capital stock	\$	4,166
Additional paid-in capital		29,904,394
Distributable earnings		20,782,637
<b>Net Assets</b>	<b>\$</b>	<b><u><u>50,691,197</u></u></b>

**\*Including:**

Cost of investments	\$	31,888,141
---------------------	----	------------

*See Notes to Financial Statements*

**DAVIS FINANCIAL PORTFOLIO****Statement of Operations**  
**For the six months ended June 30, 2023 (Unaudited)****INVESTMENT INCOME:****Income:**

Dividends*		\$	779,146
Interest			15,955
<b>Total income</b>			<b>795,101</b>

**Expenses:**

Investment advisory fees (Note 3)	\$	141,329	
Custodian fees		9,991	
Transfer agent fees		6,926	
Audit fees		11,010	
Legal fees		2,250	
Accounting fees (Note 3)		1,500	
Reports to shareholders		500	
Directors' fees and expenses		18,344	
Registration and filing fees		13	
Miscellaneous		9,362	
<b>Total expenses</b>			<b>201,225</b>
<b>Net investment income</b>			<b>593,876</b>

**REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS  
AND FOREIGN CURRENCY TRANSACTIONS:**

Net realized gain (loss) from:

Investment transactions		749,895
Foreign currency transactions		(888)
<b>Net realized gain</b>		<b>749,007</b>
Net decrease in unrealized appreciation		(867,655)
<b>Net realized and unrealized loss on investments and foreign currency transactions</b>		<b>(118,648)</b>
<b>Net increase in net assets resulting from operations</b>		<b>\$ 475,228</b>

\*Net of foreign taxes withheld of \$ 41,617

*See Notes to Financial Statements*

**DAVIS FINANCIAL PORTFOLIO**

**Statements of Changes in Net Assets**

	<b>Six months ended June 30, 2023 (Unaudited)</b>	<b>Year ended December 31, 2022</b>
<b>OPERATIONS:</b>		
Net investment income	\$ 593,876	\$ 1,043,963
Net realized gain from investments and foreign currency transactions	749,007	2,634,260
Net decrease in unrealized appreciation on investments and foreign currency transactions	(867,655)	(10,132,114)
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>475,228</b>	<b>(6,453,891)</b>
<b>DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS:</b>		
	-	(2,964,777)
<b>CAPITAL SHARE TRANSACTIONS:</b>		
Net decrease in net assets resulting from capital share transactions (Note 4)	(2,902,380)	(5,298,517)
<b>Total decrease in net assets</b>	<b>(2,427,152)</b>	<b>(14,717,185)</b>
<b>NET ASSETS:</b>		
Beginning of period	53,118,349	67,835,534
<b>End of period</b>	<b>\$ 50,691,197</b>	<b>\$ 53,118,349</b>

*See Notes to Financial Statements*

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Fund is a separate series of Davis Variable Account Fund, Inc. (a Maryland corporation) and is registered under the Investment Company Act of 1940, as amended, as a non-diversified, open-end management investment company. The Fund follows the reporting guidance of the Financial Accounting Standards Board (“FASB”) *Accounting Standards Codification Topic 946, Financial Services – Investment Companies*. Only insurance companies, for the purpose of funding variable annuity or variable life insurance contracts, may purchase shares of the Fund. The Fund concentrates its investments in the financial sector, and it may be subject to greater risks than a fund that does not concentrate its investments in a particular sector. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

**Security Valuation** - The Fund’s Board of Directors has designated Davis Selected Advisers, L.P. (“Davis Advisors” or “Adviser”), the Fund’s investment adviser, as the valuation designee for the Fund. The Adviser has established a Pricing Committee to carry out the day-to-day valuation activities for the Fund. The Fund calculates the net asset value of its shares as of the close of the New York Stock Exchange (“Exchange”), normally 4:00 P.M. Eastern time, on each day the Exchange is open for business. Securities listed on the Exchange (and other national exchanges including NASDAQ) are valued at the last reported sales price on the day of valuation. Listed securities for which no sale was reported on that date are valued at the last quoted bid price. Securities traded on foreign exchanges are valued based upon the last sales price on the principal exchange on which the security is traded prior to the time when the Fund’s assets are valued. Securities (including restricted securities) for which market quotations are not readily available or securities whose values have been materially affected by what the Adviser identifies as a significant event occurring before the Fund’s assets are valued, but after the close of their respective exchanges, will be fair valued using a fair valuation methodology applicable to the security type or the significant event as previously approved by the Pricing Committee. The Pricing Committee considers all facts it deems relevant that are reasonably available, through either public information or information available to the Adviser’s portfolio management team, when determining the fair value of a security. To assess the appropriateness of security valuations, the Pricing Committee may consider (i) comparing prior day prices and/or prices of comparable securities; (ii) comparing sale prices to the prior or current day prices and challenge those prices exceeding certain tolerance levels with the third-party pricing service or broker source; (iii) new rounds of financing; (iv) the performance of the market or the issuer’s industry; (v) the liquidity of the security; (vi) the size of the holding in a fund; and/or (vii) any other appropriate information. The determination of a security’s fair value price often involves the consideration of a number of subjective factors and is therefore subject to the unavoidable risk that the value assigned to a security may be higher or lower than the security’s value would be if a reliable market quotation for the security was readily available.

Short-term investments purchased within 60 days to maturity are valued at amortized cost, which approximates market value.

On a quarterly basis, the Board of Directors receives reports of valuation actions taken by the Pricing Committee. On at least an annual basis, the Board of Directors receives an assessment of the adequacy and effectiveness of the Adviser’s process for determining the fair value of the Fund’s investments.

**Fair Value Measurements** - Fair value is defined as the price that the Fund would receive upon selling an investment in an orderly transaction to an independent buyer in the principal market for the investment. Various inputs are used to determine the fair value of the Fund’s investments. These inputs are summarized in the three broad levels listed below.

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risks associated with investing in those securities nor can it be assured that the Fund can obtain the fair value assigned to a security if it were to sell the security.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

## Fair Value Measurements - (Continued)

The following is a summary of the inputs used as of June 30, 2023 in valuing the Fund's investments carried at value:

	Investments in Securities at Value			
	Valuation Inputs			Total
	Level 1: Quoted Prices	Level 2: Other Significant Observable Inputs*	Level 3: Significant Unobservable Inputs	
Common Stock:				
Consumer Discretionary	\$ –	\$ 1,459,556	\$ –	\$ 1,459,556
Financials	38,929,456	9,799,921	–	48,729,377
Short-Term Investments	–	410,000	–	410,000
<b>Total Investments</b>	<b>\$ 38,929,456</b>	<b>\$ 11,669,477</b>	<b>\$ –</b>	<b>\$ 50,598,933</b>

\* Includes certain securities trading primarily outside the U.S. whose value the Fund adjusted as a result of significant market movements following the close of local trading.

**Repurchase Agreements** - Repurchase agreements are transactions under which a Fund purchases a security from a dealer counterparty and agrees to resell the security to that counterparty on a specified future date at the same price, plus a specified interest rate. The Fund's repurchase agreements are secured by U.S. government or agency securities. It is the Fund's policy that its regular custodian or third party custodian take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of the repurchase transaction, including accrued interest, at all times. In the event of default by the counterparty, the Fund has the contractual right to liquidate the collateral securities and to apply the proceeds in satisfaction of the obligation.

**Currency Translation** - The market values of all assets and liabilities denominated in foreign currencies are recorded in the financial statements after translation to United States Dollar ("USD") on the date of valuation using exchange rates determined as of the close of trading on the Exchange. The cost basis of such assets and liabilities is determined based upon historical exchange rates. Income and expenses are translated at average exchange rates in effect as accrued or incurred.

**Foreign Currency** - The Fund may enter into forward purchases or sales of foreign currencies to hedge certain foreign currency denominated assets and liabilities against declines in market value relative to USD. Forward currency contracts are marked-to-market daily and the change in market value is recorded by the Fund as an unrealized gain or loss. When the forward currency contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the forward currency contract at the time it was opened and value at the time it was closed. Investments in forward currency contracts may expose the Fund to risks resulting from unanticipated movements in foreign currency exchange rates or failure of the counter-party to the agreement to perform in accordance with the terms of the contract. There were no forward contracts entered into by the Fund.

Reported net realized foreign exchange gains or losses arise from the sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on security transactions, the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books, and the USD equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains or losses arise from changes in the value of assets and liabilities, other than investments in securities at fiscal period end, resulting from changes in the exchange rate. The Fund includes foreign currency gains and losses realized on the sales of investments together with market gains and losses on such investments in the Statement of Operations.

**Federal Income Taxes** - It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies, and to distribute substantially all of its taxable income, including any net realized gains on investments not offset by loss carryovers, to shareholders. Therefore, no provision for federal income or excise tax is required. The Adviser analyzed the Fund's tax positions taken on federal and state income tax returns for all open tax years and concluded that as of June 30, 2023, no provision for income tax is required in the Fund's financial statements related to these tax positions. The Fund's federal and state (Arizona) income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state Department of Revenue. The earliest tax year that remains subject to examination by these jurisdictions is 2019.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)*****Federal Income Taxes - (Continued)***

At June 30, 2023, the aggregate cost of investments and unrealized appreciation (depreciation) for federal income tax purposes were as follows:

Cost	\$	31,999,034
Unrealized appreciation		21,599,510
Unrealized depreciation		(2,999,611)
Net unrealized appreciation	\$	<u>18,599,899</u>

***Securities Transactions and Related Investment Income*** - Securities transactions are accounted for on the trade date (date the order to buy or sell is executed) with realized gain or loss on the sale of securities being determined based upon identified cost. Dividend income is recorded on the ex-dividend date. Interest income, which includes accretion of discount and amortization of premium, is accrued as earned.

***Dividends and Distributions to Shareholders*** - Dividends and distributions to shareholders are recorded on the ex-dividend date. Net investment income (loss), net realized gains (losses), and net unrealized appreciation (depreciation) on investments [collectively “Distributable earnings (losses)”] may differ for financial statement and tax purposes primarily due to permanent and temporary differences which may include wash sales, foreign currency transactions, and Directors’ deferred compensation payments. The character of dividends and distributions made during the fiscal year from net investment income and net realized securities gains may differ from their ultimate characterization for federal income tax purposes. Also, due to the timing of dividends and distributions, the fiscal year in which amounts are distributed may differ from the fiscal year in which income or realized gain was recorded by the Fund. The Fund adjusts certain components of capital to reflect permanent differences between financial statement amounts and net income and realized gains/losses determined in accordance with income tax rules.

***Indemnification*** - Under the Fund’s organizational documents, its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, some of the Fund’s contracts with its service providers contain general indemnification clauses. The Fund’s maximum exposure under these arrangements is unknown since the amount of any future claims that may be made against the Fund cannot be determined and the Fund has no historical basis for predicting the likelihood of any such claims.

***Use of Estimates in Financial Statements*** - In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of income and expenses during the reporting period. Actual results may differ from these estimates.

***Directors Fees and Expenses*** - The Fund set up a Rabbi Trust to provide for the deferred compensation plan for Independent Directors that enables them to elect to defer receipt of all or a portion of annual fees they are entitled to receive. The value of an eligible Director’s account is based upon years of service and fees paid to each Director during the years of service. The amount paid to the Director by the Trust under the plan will be determined based upon the performance of the Davis Funds in which the amounts are invested.

**NOTE 2 - PURCHASES AND SALES OF SECURITIES**

The cost of purchases and proceeds from sales of investment securities (excluding short-term investments) during the six months ended June 30, 2023 were \$486,448 and \$2,538,541, respectively.

**NOTE 3 - FEES AND OTHER TRANSACTIONS WITH SERVICE PROVIDERS (INCLUDING AFFILIATES)**

Davis Selected Advisers-NY, Inc. (“DSA-NY”), a wholly-owned subsidiary of the Adviser, acts as sub-adviser to the Fund. DSA-NY performs research and portfolio management services for the Fund under a Sub-Advisory Agreement with the Adviser. The Fund pays no fees directly to DSA-NY.

All officers of the Fund (including Interested Directors) hold positions as executive officers with the Adviser or its affiliates.

**NOTE 3 - FEES AND OTHER TRANSACTIONS WITH SERVICE PROVIDERS (INCLUDING AFFILIATES) – (CONTINUED)**

**Investment Advisory Fees and Reimbursement/Waiver of Expenses** - Advisory fees are paid monthly to the Adviser at an annual rate of 0.55% of the Fund's average net assets. The Adviser is contractually committed to waive fees and/or reimburse the Fund's expenses to the extent necessary to cap total annual fund operating expenses at 1.00%, until May 1, 2024. After that date, there is no assurance that the Adviser will continue to cap expenses. The agreement cannot be terminated prior to that date, without the consent of the Board of Directors. The Adviser may not recoup any of the operating expenses it has reimbursed to the Fund.

**Accounting Fees** - State Street Bank and Trust Company ("State Street Bank") is the Fund's primary accounting provider. Fees for accounting services are included in the custodian fees as State Street Bank also serves as the Fund's custodian. The Adviser is also paid for certain accounting services. The fee paid to the Adviser for these services during the six months ended June 30, 2023 amounted to \$1,500.

**NOTE 4 - CAPITAL STOCK**

At June 30, 2023, there were 500 million shares of capital stock (\$0.001 par value per share) authorized. Transactions in capital stock were as follows:

	Six months ended June 30, 2023 (Unaudited)			
	Sold	Reinvestment of Distributions	Redeemed	Net Decrease
Shares:	259,390	–	(496,545)	(237,155)
Value:	\$ 3,119,351	\$ –	\$ (6,021,731)	\$ (2,902,380)
	Year ended December 31, 2022			
	Sold	Reinvestment of Distributions	Redeemed	Net Decrease
Shares:	825,855	249,141	(1,528,029)	(453,033)
Value:	\$ 11,409,386	\$ 2,964,777	\$ (19,672,680)	\$ (5,298,517)

# DAVIS FINANCIAL PORTFOLIO

## Financial Highlights

The following financial information represents selected data for each share of capital stock outstanding throughout each period:

	Six Months ended June 30, 2023 (Unaudited)	Year ended December 31,				
		2022	2021	2020	2019	2018
Net Asset Value, Beginning of Period	\$ 12.06	\$ 13.97	\$ 11.74	\$ 13.47	\$ 11.55	\$ 15.50
<b>Income (Loss) from Investment Operations:</b>						
Net Investment Income	0.14 <sup>a</sup>	0.23 <sup>a</sup>	0.20	0.17	0.22	0.21
Net Realized and Unrealized Gains (Losses)	(0.03)	(1.43)	3.39	(0.99)	2.77	(1.89)
<b>Total from Investment Operations</b>	<b>0.11</b>	<b>(1.20)</b>	<b>3.59</b>	<b>(0.82)</b>	<b>2.99</b>	<b>(1.68)</b>
<b>Dividends and Distributions:</b>						
Dividends from Net Investment Income	–	(0.25)	(0.21)	(0.17)	(0.21)	(0.20)
Distributions from Realized Gains	–	(0.46)	(1.15)	(0.74)	(0.86)	(2.07)
<b>Total Dividends and Distributions</b>	<b>–</b>	<b>(0.71)</b>	<b>(1.36)</b>	<b>(0.91)</b>	<b>(1.07)</b>	<b>(2.27)</b>
<b>Net Asset Value, End of Period</b>	<b>\$ 12.17</b>	<b>\$ 12.06</b>	<b>\$ 13.97</b>	<b>\$ 11.74</b>	<b>\$ 13.47</b>	<b>\$ 11.55</b>
Total Return <sup>b</sup>	0.91%	(8.53)%	30.54%	(5.99)%	25.86%	(10.67)%
<b>Ratios/Supplemental Data:</b>						
Net Assets, End of Period (in thousands)	\$ 50,691	\$ 53,118	\$ 67,836	\$ 55,876	\$ 67,991	\$ 61,692
Ratio of Expenses to Average Net Assets:						
Gross	0.78% <sup>c</sup>	0.75%	0.70%	0.73%	0.70%	0.69%
Net <sup>d</sup>	0.78% <sup>c</sup>	0.75%	0.70%	0.73%	0.70%	0.69%
Ratio of Net Investment Income to Average						
Net Assets	2.31% <sup>c</sup>	1.77%	1.28%	1.49%	1.58%	1.31%
Portfolio Turnover Rate <sup>e</sup>	1%	12%	13%	12%	6%	23%

a Per share calculations were based on average shares outstanding for the period.

b Assumes hypothetical initial investment on the business day before the first day of the fiscal period, with all dividends and distributions reinvested in additional shares on the reinvestment date, and redemption at the net asset value calculated on the last business day of the fiscal period. Total returns are not annualized for periods of less than one year and do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

c Annualized.

d The Net Ratio of Expenses to Average Net Assets reflects the impact, if any, of certain reimbursements and/or waivers from the Adviser.

e The lesser of purchases or sales of portfolio securities for a period, divided by the monthly average of the market value of portfolio securities owned during the period. Securities with a maturity or expiration date at the time of acquisition of one year or less are excluded from the calculation.

*See Notes to Financial Statements*

**Process of Annual Review**

The Board of Directors of the Davis Funds oversees the management of each Davis Fund and, as required by law, determines annually whether to approve the continuance of each Davis Fund's advisory agreement with Davis Selected Advisers, L.P. and sub-advisory agreement with Davis Selected Advisers-NY, Inc. (jointly "Davis Advisors" and "Advisory Agreements").

With the assistance of counsel to the Independent Directors, the Independent Directors undertook a comprehensive review process in anticipation of their annual contract review meeting, held in March 2023. As part of this process, Davis Advisors provided the Independent Directors with material (including recent investment performance data) that was responsive to questions submitted to Davis Advisors by the Independent Directors. At this meeting, the Independent Directors reviewed and evaluated all information which they deemed reasonably necessary under the circumstances and were provided guidance by their independent counsel. In reaching their decision, the Independent Directors also took into account information furnished to them throughout the year and otherwise provided to them during their quarterly meetings or through other prior communications. The Independent Directors concluded that they had been supplied with sufficient information and data to analyze the Advisory Agreements and that their questions had been sufficiently answered by Davis Advisors. Upon completion of this review, the Independent Directors found that the terms of the Advisory Agreements were fair and reasonable and that continuation of the Advisory Agreements is in the best interests of Davis Financial Portfolio (the "Fund") and its shareholders.

**Reasons the Independent Directors Approved Continuation of the Advisory Agreements**

The Independent Directors' determinations were based upon a comprehensive consideration of all information provided to them, and they did not identify any single item or piece of information as the controlling factor. Each Independent Director did not necessarily attribute the same weight to each factor. The following considerations and conclusions were important, but not exclusive, to the Independent Directors' recommendation to renew the Advisory Agreements.

The Independent Directors considered the investment performance of the Fund on an absolute basis as well as relative to its benchmark and other comparable funds. The Independent Directors not only considered the investment performance of the Fund, but also the full range and quality of services provided by Davis Advisors to the Fund and its shareholders, including whether:

1. The Fund achieves satisfactory investment results over the long-term, after all costs;
2. Davis Advisors efficiently and effectively handles shareholder transactions, inquiries, requests, and records;
3. Davis Advisors provides quality accounting, legal, and compliance services, and oversees third-party service providers; and
4. Davis Advisors fosters healthy investor behavior.

Davis Advisors is reimbursed a portion of its costs in providing some, but not all, of these services.

A shareholder's ultimate return is the product of a fund's results, as well as the shareholder's behavior, specifically in selecting when to invest or redeem. The Independent Directors concluded that, through its actions and communications, Davis Advisors has attempted to have a meaningful, positive impact on investor behavior.

Davis Advisors takes its role as stewards of capital seriously and maintains a strong alignment of interests with its clients. In aggregate, Davis Advisors and its employees as well as the Davis family (collectively referred to herein as "Davis") have made significant investments in Davis Funds and similarly managed accounts and strategies. The Independent Directors considered that these investments tend to align Davis with its clients, as Davis takes the same risks and reaps the same rewards as its clients and is motivated to achieve satisfactory long-term returns.

The Independent Directors noted the importance of reviewing quantitative measures, but recognized that qualitative factors are also important in assessing whether Davis Funds' shareholders are likely to be well served by the renewal of the Advisory Agreements. They noted both the value and shortcomings of purely quantitative measures, including the data provided by independent service providers, and concluded that, while such measures and data may be informative, the judgment of the Independent Directors must take many factors into consideration in representing the shareholders of the Davis Funds, including those listed below. In connection with reviewing comparative performance information, the Independent Directors generally give greater weight to longer-term measurements.

**Reasons the Independent Directors Approved Continuation of the Advisory Agreements – (Continued)**

The Independent Directors noted that Davis Advisors employs a disciplined, company-specific, research-driven, businesslike, long-term investment philosophy. The Independent Directors considered the quality of Davis Advisors' investment process as well as the experience, capability, and integrity of its senior management and other personnel.

The Independent Directors recognized Davis Advisors' (a) efforts to minimize transaction costs by generally having a long-term time horizon and low portfolio turnover; (b) record of generally producing satisfactory results over longer-term periods; (c) efforts towards fostering healthy investor behavior by, among other things, providing informative and substantial educational material; and (d) efforts to promote shareholder interests by actively speaking out on corporate governance issues.

The Independent Directors assessed (a) comparative fee and expense information for other funds, as selected and analyzed by a nationally recognized independent service provider; (b) information regarding fees charged by Davis Advisors to other advisory clients, which includes other funds it advises, other funds which it sub-advises, private accounts, and managed money/wrap clients, as well as the differences in the services provided to such other clients; and (c) the fee schedule of the Fund, including an assessment of competitive fee schedules.

The Independent Directors reviewed the management fee schedule for the Fund, the profitability of the Fund to Davis Advisors, the extent to which economies of scale might be realized if the Fund's net assets increase, and whether the fee schedule should reflect those potential economies of scale at this time. The Independent Directors considered the nature, quality, and extent of the services being provided to the Fund and the costs incurred by Davis Advisors in providing such services. The Independent Directors considered various potential benefits that Davis Advisors may receive in connection with the services it provides under the Advisory Agreements with the Fund, including a review of portfolio brokerage practices. The Independent Directors noted that Davis Advisors does not use client commissions to pay for publications that are available to the general public or for research reports that are created by parties other than the broker-dealers providing trade execution, clearing and/or settlement services to the Fund.

The Independent Directors compared the fees paid to Davis Advisors by the Davis Funds with those paid by Davis Advisors' advised and sub-advised clients, private account clients, and managed money/wrap clients. To the extent sub-advised, private account, or managed money/wrap fees were lower than fees paid by the Davis Funds, the Independent Directors noted that the range of services provided to the Davis Funds is more extensive, with greater risks associated with operating SEC registered, publicly traded mutual funds. Serving as the primary adviser for mutual funds is more work because of the complex overlay of regulatory, tax, and accounting issues, which are unique to mutual funds. In addition, the operational work required to service shareholders is more extensive because of the significantly greater number of shareholders, and managing trading is more complex because of more frequent fund flows. With respect to risk, not only has regulation become more complex and burdensome, but the scrutiny of regulators and shareholders has become more intense. The Independent Directors concluded that reasonable justifications existed for any differences between the fee rates for the Davis Funds and Davis Advisors' other lines of business.

The Independent Directors noted that Davis Financial Portfolio outperformed its benchmark, the Standard & Poor's 500<sup>®</sup> Index (the "S&P 500<sup>®</sup>"), over the one-year time period, but underperformed the S&P 500<sup>®</sup> over the three-, five-, ten-year, and since-inception time periods, all periods ended February 28, 2023.

Broadridge, an independent service provider, presented a report to the Independent Directors that compared the Fund to all Lipper financial services funds underlying variable insurance products (the "Performance Universe Average"). The report indicated that the Fund outperformed the Performance Universe Average over the one-, two-, three-, five, and ten-year time periods, but underperformed the Performance Universe Average over the four-year time period, all periods ended December 31, 2022.

The Independent Directors also reviewed the Fund's performance versus both the S&P 500<sup>®</sup> and the Morningstar U.S. Insurance Financial category when measured over rolling five- and ten-year time frames. The Fund outperformed the S&P 500<sup>®</sup> in 6 out of 20 rolling five-year time periods and outperformed the Morningstar U.S. Insurance Financial category in 13 out of 20 rolling five-year time periods, all periods ended December 31 for each year from 2003 through 2022. The Fund outperformed the S&P 500<sup>®</sup> in 1 out of 15 rolling ten-year time periods and outperformed the Morningstar U.S. Insurance Financial category in 14 out of 15 rolling ten-year time periods, all periods ended December 31 for each year from 2008 through 2022.

**Reasons the Independent Directors Approved Continuation of the Advisory Agreements – (Continued)**

The Independent Directors considered Davis Financial Portfolio's management fee and total expense ratio. They observed that both were reasonable and well below the average and median of its expense group, as determined by Broadridge. The Independent Directors also noted that the Adviser has agreed to cap expenses through May 1, 2024.

**Approval of Advisory Agreements**

The Independent Directors concluded that Davis Advisors had provided Davis Financial Portfolio and its shareholders a reasonable level of both investment and non-investment services. The Independent Directors further concluded that shareholders have received a significant benefit from Davis Advisors' shareholder-oriented approach, as well as the execution of its investment discipline.

The Independent Directors determined that the advisory fee for Davis Financial Portfolio was reasonable in light of the nature, quality, and extent of the services being provided to the Fund, the costs incurred by Davis Advisors in providing such services, and in comparison to the range of the average advisory fees of its peer group, as determined by an independent service provider. The Independent Directors found that the terms of the Advisory Agreements are fair and reasonable and that continuation of the Advisory Agreements is in the best interests of the Fund and its shareholders. The Independent Directors and the full Board of Directors therefore voted to continue the Advisory Agreements.

Following is a description of the operation and effectiveness of the Liquidity Risk Management Program (“LRMP”) that was adopted by the Board of Directors (the “Board”) in accordance with Rule 22e-4 under the Investment Company Act of 1940 (the “Liquidity Rule”). The Liquidity Rule is meant to promote effective liquidity risk management practices in order to reduce the likelihood that a fund would be unable to meet its redemption obligations.

The Board has appointed Davis Selected Advisers, L.P. (the “Adviser”) to serve as the Administrator of the LRMP, subject to the supervision of the Board. The Adviser has engaged a third party to perform certain functions, including the production of liquidity classification model information.

The Adviser monitors the adequacy and effectiveness of the implementation of the LRMP on an ongoing basis. This monitoring includes a review of the Fund’s liquidity risk based on a variety of factors including the Fund’s (1) investment strategy, (2) portfolio liquidity and cash flow projections during normal and reasonably foreseeable stressed conditions, (3) shareholder redemptions, and (4) borrowing arrangements and other funding sources. The Liquidity Rule places a 15% limit on a fund’s illiquid investments and requires a fund that does not primarily hold assets that are highly liquid investments to determine and maintain a minimum percentage of the fund’s net assets in highly liquid investments (highly liquid investment minimum or HLIM). The LRMP includes provisions and safeguards that are reasonably designed to comply with the 15% limit on illiquid investments and the Fund is currently classified as a Fund that primarily holds highly liquid investments. The LRMP includes the classification, no less than monthly, of the Fund’s investments into one of four liquidity classifications as provided for in the Liquidity Rule.

At a recent meeting of the Fund’s Board of Directors, the Adviser provided a written report to the Board pertaining to the operation, adequacy, and effectiveness of implementation of the LRMP from April 1, 2022 through March 31, 2023. The report concluded that the LRMP is operating effectively and is reasonably designed to assess and manage the Fund’s liquidity risk. There can be no guarantee that the LRMP will achieve its objectives in the future. Additional information regarding risks of investing in the Fund, including liquidity risks presented by the Fund’s investment portfolio, is found in the Fund’s Prospectus and Statement of Additional Information.

# DAVIS FINANCIAL PORTFOLIO

## Directors and Officers

For the purpose of their service as Directors to the Davis Funds, the business address for each of the Directors is: 2949 E. Elvira Road, Suite 101, Tucson, AZ 85756. Subject to exceptions and exemptions which may be granted by the Independent Directors, Directors must retire from the Board of Directors and cease being a Director at the close of business on the last day of the calendar year in which the Director attains age seventy-eight (78).

<b>Name, Date of Birth, Position(s) Held with Fund, Length of Service</b>	<b>Principal Occupation(s) During Past Five Years</b>	<b>Number of Portfolios Overseen</b>	<b>Other Directorships</b>
<i>Independent Directors</i>			
<b>John S. Gates Jr.</b> (08/02/53) Director since 2007	Executive Chairman, TradeLane Properties LLC (industrial real estate company); Chairman and Chief Executive Officer of PortaeCo LLC (private investment company).	13	Director, Miami Corp. (diversified investment company).
<b>Thomas S. Gayner</b> (12/16/61) Director since 2004 Chairman since 2009	Chief Executive Officer and Director, Markel Corp. (diversified financial holding company).	13	Director, Graham Holdings Company (educational and media company); Director, Cable ONE Inc. (cable service provider); Director, The Coca-Cola Company (beverage company).
<b>Samuel H. Iapalucci</b> (07/19/52) Director since 2006	Retired; Executive Vice President and Chief Financial Officer, CH2M HILL Companies, Ltd. (engineering) until 2008.	13	None
<b>Robert P. Morgenthau</b> (03/22/57) Director since 2002	Principal, Spears Abacus Advisors, LLC (investment management firm) since 2011; Chairman, NorthRoad Capital Management, LLC (investment management firm) 2002-2011.	13	None
<b>Lara N. Vaughan</b> (04/20/69) Director since 2021	Chief Executive Officer and Chief Financial Officer of Parchman, Vaughan & Company, L.L.C. (investment bank).	13	None
<b>Marsha C. Williams</b> (03/28/51) Director since 1999	Retired; Senior Vice President and Chief Financial Officer, Orbitz Worldwide, Inc. (travel-service provider) 2007-2010.	13	Chairperson, Modine Manufacturing Company (heat transfer technology); Director, Fifth Third Bancorp (diversified financial services); Director, Crown Holdings, Inc. (manufacturing company).
<i>Interested Directors*</i>			
<b>Andrew A. Davis</b> (06/25/63) Director since 1997	President or Vice President of each Davis Fund, Selected Fund, and Clipper Fund; President, Davis Selected Advisers, L.P., and also serves as an executive officer of certain companies affiliated with the Adviser.	16	Director, Selected Funds (consisting of two portfolios) since 1998; Trustee, Clipper Funds Trust (consisting of one portfolio) since 2014.
<b>Christopher C. Davis</b> (07/13/65) Director since 1997	President or Vice President of each Davis Fund, Selected Fund, Clipper Fund, and Davis ETF; Chairman, Davis Selected Advisers, L.P., and also serves as an executive officer of certain companies affiliated with the Adviser, including sole member of the Adviser's general partner, Davis Investments, LLC.	16	Director, Selected Funds (consisting of two portfolios) since 1998; Trustee, Clipper Funds Trust (consisting of one portfolio) since 2014; Lead Independent Director, Graham Holdings Company (educational and media company); Director, The Coca-Cola Company (beverage company); Director, Berkshire Hathaway Inc. (financial services).

\* Andrew A. Davis and Christopher C. Davis own partnership units (directly, indirectly, or both) of the Adviser and are considered to be "interested persons" of the Funds as defined in the Investment Company Act of 1940. Andrew A. Davis and Christopher C. Davis are brothers.

### Officers

**Lisa J. Cohen (born 04/25/89, Davis Funds officer since 2021).** Vice President and Secretary of the Davis Funds (consisting of 13 portfolios), Selected Funds (consisting of two portfolios), Clipper Funds Trust (consisting of one portfolio), and Davis Fundamental ETF Trust (consisting of four portfolios); Vice President, Chief Legal Officer, and Secretary, Davis Selected Advisers, L.P., and also serves as an executive officer of certain companies affiliated with the Adviser.

**Andrew A. Davis (born 06/25/63, Davis Funds officer since 1997).** See description in the section on Interested Directors.

**Christopher C. Davis (born 07/13/65, Davis Funds officer since 1997).** See description in the section on Interested Directors.

**Kenneth C. Eich (born 08/14/53, Davis Funds officer since 1997).** Executive Vice President and Principal Executive Officer of the Davis Funds (consisting of 13 portfolios), Selected Funds (consisting of two portfolios), and Clipper Funds Trust (consisting of one portfolio); Trustee/Chairman, Executive Vice President, and Principal Executive Officer of Davis Fundamental ETF Trust (consisting of four portfolios); Chief Operating Officer, Davis Selected Advisers, L.P., and also serves as an executive officer of certain companies affiliated with the Adviser.

**Douglas A. Haines (born 03/04/71, Davis Funds officer since 2004).** Vice President, Treasurer, Chief Financial Officer, Principal Financial Officer, and Principal Accounting Officer of the Davis Funds (consisting of 13 portfolios), Selected Funds (consisting of two portfolios), Clipper Funds Trust (consisting of one portfolio), and Davis Fundamental ETF Trust (consisting of four portfolios); Vice President and Director of Fund Accounting, Davis Selected Advisers, L.P.

**Michaela McLoughry (born 03/21/81, Davis Funds officer since 2023).** Vice President and Chief Compliance Officer of the Davis Funds (consisting of 13 portfolios), Selected Funds (consisting of two portfolios), Clipper Funds Trust (consisting of one portfolio), and Davis Fundamental ETF Trust (consisting of four portfolios); Vice President and Chief Compliance Officer, Davis Selected Advisers, L.P., and also serves as an executive officer of certain companies affiliated with the Adviser.

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

## **DAVIS FINANCIAL PORTFOLIO**

### **Investment Adviser**

Davis Selected Advisers, L.P. (Doing business as “Davis Advisors”)  
2949 East Elvira Road, Suite 101  
Tucson, Arizona 85756  
(800) 279-0279

### **Distributor**

Davis Distributors, LLC  
2949 East Elvira Road, Suite 101  
Tucson, Arizona 85756

### **Transfer Agent**

SS&C Global Investor & Distribution Solutions, Inc.  
c/o The Davis Funds  
P.O. Box 219197  
Kansas City, Missouri 64121-9197

### **Custodian**

State Street Bank and Trust Co.  
One Congress Street, Suite 1  
Boston, Massachusetts 02114

### **Legal Counsel**

Greenberg Traurig, LLP  
1144 15<sup>th</sup> Street, Suite 3300  
Denver, Colorado 80202

### **Independent Registered Public Accounting Firm**

KPMG LLP  
4200 Wells Fargo Center  
90 South 7<sup>th</sup> Street  
Minneapolis, MN 55402

---

*For more information about Davis Financial Portfolio, including management fee, charges, and expenses, see the current prospectus, which must precede or accompany this report. The Fund's Statement of Additional Information contains additional information about the Fund's Directors and is available without charge, upon request, by calling 1-800-279-0279 and on the Fund's website at [www.davisfunds.com](http://www.davisfunds.com). Quarterly Fact Sheets are available on the Fund's website at [www.davisfunds.com](http://www.davisfunds.com).*

---

Sign up for e-delivery.  
DFP\_SAR\_2023